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FISCAL IMPACT STATEMENT

LS 6733

BILL NUMBER: SB 247

NOTE PREPARED: Feb 24, 2008

BILL AMENDED: Feb 21, 2008

SUBJECT: Home Medical Equipment and Pharmacies.

FIRST AUTHOR: Sen. Dillon

FIRST SPONSOR: Rep. C. Brown

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: ☒ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: State

Summary of Legislation: (Amended) This bill removes specified home medical equipment from the definition of "home medical equipment" and redefines the term as equipment that is prescribed by a health care provider and either: (1) sustains, restores, or supplants a vital bodily function; or (2) is technologically sophisticated and requires individualized adjustment or maintenance.

The bill defines "home medical services" to require both the: (1) sale, rental, delivery, or installation of home medical equipment; and (2) installation, maintenance, and instruction in the use of the equipment.

The bill requires a nonresident pharmacy that dispenses more than 25% of the pharmacy's total prescription volume through the Internet to have certain accreditations and display the accreditation in advertisements. It allows the Board of Pharmacy to take certain action against the nonresident pharmacy for not being accredited or for failing to display the accreditation.

Effective Date: (Amended) July 1, 2008, January 1, 2009.

Explanation of State Expenditures: (Revised) The bill adds an accreditation requirement for pharmacies located outside of Indiana that dispense more than 25% of their total prescription volume over the Internet. Failure to comply with the accreditation requirement after January 1, 2009, would create cause for the Board of Pharmacy to deny, revoke, or suspend the registration of the pharmacy.

The bill revises the current definitions of "home medical equipment" and "home medical services" to be more specific with regard to the entities that are required to be licensed as home medical equipment service providers.

The bill would require the Board of Pharmacy to revise the existing home medical equipment service provider licensure rules and rules for the registration of nonresident pharmacies. The Professional Licensing Agency (IPLA) reports they can accomplish the revision of the administrative rules within the level of resources currently available.

Explanation of State Revenues:

(Revised) *Background Information:* The IPLA reported that 284 home medical equipment service providers have active licenses as of January 2, 2008. Licenses are issued biennially; the fee is \$150 for the original application and \$200 for biennial renewals. The Board of Pharmacy reports there are 400 nonresident pharmacies registered with the Board. In FY 2007, the Pharmacy Board received \$1.3 M in revenue from licensing fees for pharmacists, pharmacist intern/externs, pharmacies, wholesale legend drug distributors, and home medical equipment service providers. The Pharmacy Board reports that the revisions in the home medical equipment service providers licensure definitions would cause less than a 1% change (increase or decrease) in the total number of the licenses issued to home medical equipment providers. Revenue from pharmacy licensing fees is distributed to the state General Fund. The Board operates under the General Fund appropriation for the IPLA.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IPLA, Board of Pharmacy.

Local Agencies Affected:

Information Sources: IPLA and the Indiana Board of Pharmacy.

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